Effect of drought on revenue collection

977. SHRI DINKARAO GOVINDRAO PATIL : Will the Minister of FINANCE be pleased to state

(a) whether it is a fact that revenue collection is likely to show a decline due to drought in the country; and

(b) if so, what steps Government propose to take to meet the situation ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b) There is, as yet, no definite indicateion that total tax collections would decline due to drought in the country But it is too early to conclude one way or the other

Setting up of Export Units by Indian Diamond Merchants in China

978 SHRI DINKARRAO GOVINDRAO PATIL. Will the Minister of COMMERCE be pleased to state

(a) whether some Indian diamond merchants have set up 100 per cent export units in China; and

(b) if so, what are the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI) : (a) Government is not aware of any Indian diamond merchant having set up 100 per cent export oriented diamond unit in China

(b) Does not arise

Acceptance of Deposits by Unincorporated Bodies

979. SHRI DINKARRAO GOVINDRAO PATIL Will the Minister of FINANCE be pleased to state

(a) whether it is a fact that some unincoroprated bodies have been accepting deposits from the public and then have been defaulting on the repayment of the same:

(b) whether Government propose to check such companies, and

(c) if so, what are the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI) : (a) to (c). Government are aware that certain unincorporated bodies accept deposits from public by offering very high rates of interest and lend the same by charging exhorbitant rates of interest. There are also reports about certain unincorporated bodies not paying back the deposits, when demanded

The deposit acceptance activities of such bodies are regulated under Chapter III-C of Reserve Bank of India Act, 1934 These provisions prohibit such bodies from accepting deposits in excess of the specified number of depositors The Act also provides for penal action for violating these provisions These powers vest concurrently with Reserve Bank of India and the State Governments.

Reserve Bank of India has reported that it has, already, initiated action against several concerns at Ahmedabad, Bangalore, Kotayam, Madras and Trivandrum The Kerala State Police is also reported to have raided the offices of some concerns and have seized documents. The proprietors/partners of some of these bodies are reported to have been arrested for breach of trust and cheating Reserve Bank of India has reported that quite recently, it, alongwith the Sales Tax Intelligence Wing of Government of Kerala, had raided the offices of a number of unincorporated bodies in Kerala for suspected violation of the various provisions of the relevant Acts

The Constitutional validity of the Chapter III-C of Reserve Bank of India Act, 1934 has been challenged and the matter is pending before the Supreme Court and is therefore, *sub-judice*.

Growth of Small Scale Industry

980 SHRI DINKARRAO GOVINDRAO PATIL . Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact hat inadequacy of risk capital hampers the growth of small scale industry, and

(b) if so what steps Government propose to take to provide the requisite capital ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI) (a) and (b). The Reserve Bank of India has reported that Industrial Development Bank of India (IDBI) and National Bank for Agriculture